

## Message Text

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ACTION ARA-10

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EO 11652: N/A

TAGS: PINT ECON VE

SUBJ: COPEI LAUNCHES OPPOSITION COUNTEROFFENSIVE

REF: CARACAS 3544

SUMMARY: EDUARDO FERNANDEZ, COPEI PARLIAMENTARY LEADER, LED OFF THE DEBATE APRIL 10 IN THE CHAMBER OF DEPUTIES ON THE PRESIDENT'S ANNUAL MESSAGE DELIVERED LAST MONTH (REFTEL) WITH A STINGING ATTACK ON THE DOMESTIC PERFORMANCE OF THE PEREZ ADMINISTRATION AT THE END OF ITS FIRST YEAR IN OFFICE. FERNANDEZ CONCENTRATED HIS ATTACK IN THREE MAIN AREAS: (A) THE CONCENTRATION OF POWER IN GOV HANDS; (B) THE ESPOUSAL OF CONTRADICTIONARY ECONOMIC POLICIES, AND (C) THE POOR PERFORMANCE OF THE VENEZUELAN ECONOMY IN 1974. END SUMMARY

1. ACCUSING THE PEREZ ADMINISTRATION OF SEEKING "HEGEMONIC CONTROL OF ALL BRANCHES OF PUBLIC POWER," FERNANDEZ LASHED OUT AT GOV MOVES IN THIS DIRECTION. HE WARNED OF THE GOV'S "INTENT TO EXERCISE TOTAL CONTROL" THROUGH THE COMMUNICATIONS MEDIA AND WONDERED WHEN THE CHAMBER WOULD BE GIVEN A LOOK AT THE PROPOSED "INFORMATION" LAW. REFERRING TO THE RECENT SUGGESTION BY AD POLITICIANS THAT THE CONSTITUTION BE AMENDED TO ALLOW THE REELECTION OF A PRESIDENT, FERNANDEZ NOTED THAT AD PRESIDENT GONZALO BARRIOS HAD COMPLETELY REJECTED THE PROPOSITION BUT NOTHING HAD BEEN HEARD YET FROM PRESIDENT PEREZ. WITHOUT MENTIONING THE WORK "DICTATOR," FERNANDEZ

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SAID VENEZUELA LIVES AMIDST COUNTRIES WHERE DEMOCRACY HAS CEASED TO

EXIST AND RECALLED FOR HIS FELLOW DEPUTIES THE INSCRIPTION ON THE US NATIONAL ARCHIVES, "ETERNAL VIGILANCE IS THE PRICE OF LIBERTY."

2. FERNANDEZ SAID THE GOVT HAD CANCELLED THE PREVIOUS POLICY OF DIALOGUE BETWEEN THE PARTIES. NOW "THE GOVERNMENT INFORMS, BUT IT DOES NOT DIALOGUE," FERNANDEZ STATED IN CRITICIZING THE GOV'S CHANGES IN THE DRAFT OIL NATIONALIZATION BILL DRAWN UP BY THE PRESIDENTIAL REVERSION COMMISSION WHICH WAS MADE UP OF REPRESENTATIVES

OF THE VARIOUS POLITICAL AND ECONOMIC SECTORS. THE OPPOSITION PARTIES, FERNANDEZ SAID, ARE NOW IN THE PARADOXICAL POSITION OF HAVING TO RECONSTRUCT THE CONSENSUS THAT THE GOV DESTROYED. FERNANDEZ ALLOWED THAT PEREZ WAS EXCEEDINGLY NATIONALISTIC WITH REGARD TO OIL, BUT WAS LESS SO WITH RESPECT TO THE PETROCHEMICAL AND IRON AND STEEL INDUSTRIES, AND CONCERNING THE DEVELOPMENT OF THE ORINOCO TAR SANDS BELT.

3. FERNANDEZ ALSO CRITICIZED THE PEREZ ADMINISTRATION FOR THE ESPOUSAL OF CONTRADICTIONARY ECONOMIC POLICIES. IF ONE MINISTER SAID SOMETHING TODAY, ANOTHER WOULD CONTRADICT IT TOMORROW. FERNANDEZ SAID THE GOV HAS PRODUCED A PLETHORA OF "PROMISES, POLICY FORMULATIONS AND ANNOUNCEMENTS" BUT WAS NOTABLY LACKING WHEN IT CAME TO IMPLEMENTING THEM. AS EVIDENCE OF THIS HE CITED THE FACT THAT THERE HAVE BEEN THREE MINISTERS OF AGRICULTURE AND THREE MINISTERS OF DEVELOPMENT IN THE PAST YEAR. MOREOVER, HE NOTED THE GOV'S AFFECTION FOR ISSUING DECREES, SOME 830 IN ONE YEAR, OR AN AVERAGE OF 16 A WEEK, "THE MAJORITY OF WHICH HAVE NOT BEEN CARRIED OUT NOR EVEN PUBLISHED."

4. LASTLY, FERNANDEZ ATTACKED THE GOV FOR THE POOR PERFORMANCE OF THE NATION'S ECONOMY. AFTER ONE YEAR OF THE AD GOVERNMENT, HE SAID, THE ECONOMY IS IN A STATE "OF STAGNATION AND RECESSION WHICH THE PRESIDENTIAL MESSAGE NOT ONLY DOES NOTHING TO CORRECT BUT EVEN ACCENTUATES." FERNANDEZ SAID THAT THE "RECESSION" WAS SO BAD THAT IT APPEARED THE GOV HAD "MANIPULATED" OFFICIAL DATA IN AN ATTEMPT TO COVER UP THE TRUE SITUATION. HE FOUND THAT THE CENTRAL BANK'S 1974 REPORT CONTRADICTED MANY GOV FIGURES AND REVEALED THAT THE RATE OF ECONOMIC GROWTH IN 1974 WAS LESS THAN THAT OF THE PREVIOUS YEAR. FERNANDEZ CLAIMED ECONOMISTS ALREADY ARE TALKING ABOUT FUTURE PROBLEMS IN THE NATION'S BALANCE OF PAYMENTS.

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5. FERNANDEZ THEN TURNED TO THE PROBLEM OF INFLATION AND ACCUSED THE PEREZ ADMINISTRATION OF RESPONSIBILITY FOR AN "UNPRECEDENTED INCREASE" IN THE COST OF LIVING. HE SAID WHOLESALE PRICES ROSE 20 PERCENT IN THE PAST YEAR WHILE THE COST OF LIVING IN CARACAS INCREASED

12 PERCENT. ALTHOUGH THE GOV PROMISED TO LOWER THE COST OF LIVING, FERNANDEZ CONTINUED, IT HAS CREATED A "GALLOPING INFLATION"

INSTEAD. FURTHERMORE, HE SAID HE COULD NOT BELIEVE CORDIPLAN MINISTER GUMERSINDO RODIRGUEZ' STATEMENT THAT 170,000 JOBS HAVE BEEN CREATED WHEN THERE ARE MORE UNEMPLOYED THAN EVER. FERNANDEZ CLAIMED GOV INVESTMENT FUNDS HAD BEEN USED TO "STERILIZE" NEARLY BS.20 BILLION. HE CITED, AS AN EXAMPLE, THE AGRICULTURAL FUND WHICH HAD INVESTED ONLY BS.65 MILLION OF THE BS.2 BILLION AT ITS DISPOSAL. THE SITUATION AT THE VENEZUELAN INVESTMENT FUND, FERNANDEZ SAID, IS EVEN "MORE GRAVE" AS NOT MORE THAN BS.2 BILLION HAVE BEEN INVESTED.

6. COMMENT: FERNANDEZ'S SPEECH IS THE OPENING GUN IN COPEI'S MUCH EHRALEDED AND LONG AWAITED COUNTEROFFENSIVE. THE PARTY STUMBLED THROUGH THE 1974 LEGISLATIVE YEAR IN A STATE OF DISARRAY FOLLOWING ITS 1973E ELECTORAL DEFEAT. AS A RESULT, THE PARTY'S LACKLUSTER PERFORMANCE IN OPPOSITION TO THE AD GOVERNMENT BECAME A SUBJECT OF CONSIDERABLE CONTROVERSY WITHIN THE PARTY AND HAS RECENTLY COME OUT INTO THE OPEN IN AN ANGRY EXCHANGE OF VIEWS BETWEEN COPEI SECRETARY GENERAL PEDRO PABLO AGUILAR AND NATIONAL COMMITTEE MEMBER JOSE RODIRGUES ITURBE.

7. AD EXECUTIVE POLITICAL SECRETARY LUIS PINERUA COMPLAINED TO AGUILAR, IN PRESENCE OF CHARGE AND POL COUNSELOR APRIL 11, THAT FERNANDEZ HAD SIMPLY REPEATED WHAT COPEYANOS HAD BEEN COMPLAINING ABOUT FOR SOME TIME, AND HAD SAID NOTHING NEW IN HIS APRIL 10 SPEECH. PINERUA WILL LEAD OFF FOR AD IN REBUTTAL WHEN DEBATE RESUMES IN THE CHAMBER OF DEPUTIES ON APRIL 14.  
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